

# Senate Study Bill 1214

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
LOCAL GOVERNMENT BILL BY  
CHAIRPERSON QUIRMBACH)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act providing for the repeal of the authorization to use local  
2 sales and services tax revenue to fund urban renewal projects  
3 and including an effective date provision.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
5 TLSB 1910SC 83  
6 md/sc/14

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1 1 Section 1. Section 423B.1, subsection 6, paragraph c, Code  
1 2 2009, is amended by striking the paragraph.  
1 3 Sec. 2. Section 423B.7, subsection 1, Code 2009, is  
1 4 amended to read as follows:  
1 5 1. ~~a. Except as provided in paragraph "b", the~~ The  
1 6 director shall credit the local sales and services tax  
1 7 receipts and interest and penalties from a county-imposed tax  
1 8 to the county's account in the local sales and services tax  
1 9 fund and from a city-imposed tax under section 423B.1,  
1 10 subsection 2, to the city's account in the local sales and  
1 11 services tax fund. If the director is unable to determine  
1 12 from which county any of the receipts were collected, those  
1 13 receipts shall be allocated among the possible counties based  
1 14 on allocation rules adopted by the director.  
1 15 ~~b. Notwithstanding paragraph "a", the director shall~~  
~~1 16 credit the designated amount of the increase in local sales~~  
~~1 17 and services tax receipts, as computed in section 423B.10,~~  
~~1 18 collected in an urban renewal area of an eligible city that~~  
~~1 19 has adopted an ordinance pursuant to section 423B.10,~~  
~~1 20 subsection 2, into a special city account in the local sales~~  
~~1 21 and services tax fund.~~  
1 22 Sec. 3. Section 423B.7, subsection 6, Code 2009, is  
1 23 amended by striking the subsection.  
1 24 Sec. 4. Section 423B.10, Code 2009, is repealed.  
1 25 Sec. 5. TAXES RECEIVED PRIOR TO EFFECTIVE DATE. All local  
1 26 sales and services taxes received by a city under chapter 423B  
1 27 prior to the effective date of this Act that have been  
1 28 designated by a city by ordinance to fund urban renewal  
1 29 projects pursuant to section 423B.10, as repealed by this Act,  
1 30 shall be deposited in the city's special fund created in  
1 31 section 403.19, subsection 2, and shall be used to fund urban  
1 32 renewal projects located in an urban renewal area.  
1 33 Sec. 6. OBLIGATIONS OF CITIES. This Act shall not  
1 34 relieve, impair, or otherwise alter the obligations of a city  
1 35 relating to bonds issued pursuant to chapter 403 prior to the  
2 1 effective date of this Act or contracts made prior to the  
2 2 effective date of this Act in connection with an urban renewal  
2 3 project.  
2 4 Sec. 7. EFFECTIVE DATE. This Act, being deemed of  
2 5 immediate importance, takes effect upon enactment.  
2 6 EXPLANATION  
2 7 This bill repeals Code section 423B.10, which provides that  
2 8 a city with a local sales and services tax imposed by the  
2 9 county may designate an amount of the increased tax revenues  
2 10 attributable to retail establishments in an urban renewal area  
2 11 to fund urban renewal projects in the area. The bill provides  
2 12 that all local sales and services taxes received by a city  
2 13 under Code chapter 423B prior to the effective date of the  
2 14 bill that have been designated by a city by ordinance to fund  
2 15 urban renewal projects pursuant to Code section 423B.10 shall  
2 16 be deposited in the city's special fund and shall be used to  
2 17 fund urban renewal projects. The bill also provides that a

2 18 city's obligations relating to bonds issued for urban renewal  
2 19 purposes and contracts made in connection with an urban  
2 20 renewal project prior to the effective date of the bill remain  
2 21 unaltered.  
2 22     This bill takes effect upon enactment.  
2 23 LSB 1910SC 83  
2 24 md/sc/14.1